

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 /033 W  
-----004267 240029Z /66

R 231605Z DEC 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9472

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E.O. 11652: NA

TAGS: EAIR, IT

SUBJECT: CIVAIR: AIR FARES

REF: (A) ROME 21020, (B) STATE 302630#

1. EMBOFF TRIED TO CONVEY TO DI MUCCIO (MFA) ON DEC. 22 U.S. VIEW ON GOI ATTEMPTS TO SUSPEND EXISTING TWA AND PAA FARES, BUT DI MUCCIO INSISTED THAT POINTS BE MADE IN WRITTEN FORM. CONSEQUENTLY, EMBOFF DELIVERED "TALKING POINTS" PAPER TO DI MUCCIO ON DEC. 23 IN HOPE THAT INFORMAL NATURE OF PAPER WOULD HELP AVOID HEATING UP FARE ISSUE.

2. DI MUCCIO REACTED TO PAPER CALMLY ENOUGH, BUT SAID THAT HE HAD REFERRED FARES ISSUES TO THE LAWYERS. HE REMARKED THAT THUS FAR THE LAWYERS ARE DIVIDED ON THE ISSUES, BUT THE SOONER THEY COULD BE CLEARED UP THROUGH CONSULTATIONS THE BETTER IT WOULD BE--ESPECIALLY FOR THE AIRLINES. WHEN EMBOFF ASKED QUESTIONS IN ATTEMPT TO GAIN CLEARER UNDERSTANDING OF DI MUCCIO'S REMARKS, HE PLEADED LACK OF ADEQUATE KNOWLEDGE OF AIR FARE MATTERS, BUT HE AGAIN STATED IT MIGHT BE COUNTERPRODUCTIVE TO LET AIR FARE ISSUE RIDE UNTIL LATTER HALF OF JANUARY. HE ADDED THAT IF MATTER NOT RESOLVED SOON, GOI MIGHT LAUNCH INVESTIGATION (ANALISI CONOSCIATIVA) INTO FARES QUESTIONS AND WHAT U.S. CARRIRS HAVE BEEN DOING. HE INDICATED, NEVERTHELESS, THAT GOI PREPARED TO ACCEPT FARES

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CONSULTATIONS IN SECOND HALF OF JANUARY.

3. COMMENT. EMBASSY CAUTIONS THAT WE SHOULD NOT ASSUME THAT GOI WILL MAKE NO FURTHER MOVES ON AIR FARES ISSUE OR EVEN THAT IT WILL AGREE TO CONSULTATIONS ON JANUARY 23 UNTIL EMBASSY HAS RECEIVED REPLY TO ITS NOTE. DI MUCCIO HAS REMARKED ON EARLIER OCCASIONS THAT SIXTY-DAY PERIOD ENDS JUST BEFORE JANUARY 23.

MORE IMPORTANT, DI MUCCIO'S REMARKS INDICATE THAT GOI SERIOUSLY  
CONSIDERING LEGAL ACTION AGAINST U.S. AIRLINES. THEY MAY HAVE  
A CASE ON NEW FARES THAT ARE NOT ON THE SAME LEVEL AND CONDITIONS  
AS ALITALIS'S NEW FARES (E.G., BUDGET FARE). IN REGARD TO  
EXISTING FARES, EMBASSY SUGGESTS U.S. AUTHORITIES REVIEW QUESTION  
OF WHETHER EXISTING FARES CONTINUE THEIR EXISTENCE IN IATA  
"OPEN RATE" SITUATION. DESPITE DI MUCCIO'S RATHER BRIEF  
THREATENING REMARKS, EMBASSY BELIEVES THEY MAY BE NO MORE THAN  
PART OF THE PRE-BILATERAL NEGOTIATIONS JOCKEYING FOR POSITION  
REFERRED TO IN PARA 3 REF B. GARDNER

NOTE BY OC/T: #AS RECEIVED.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR FARES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 23-Dec-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977ROME21063  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770480-0643  
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**Message ID:** d7bccafd-c188-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 ROME 21020, 78 STATE 302630  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 138691  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: AIR FARES  
**TAGS:** EAIR, IT  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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